

# VIG Developed Markets Government Bond Investment Fund

A series HUF MONTHLY report - 2025 OCTOBER (made on: 10/31/2025)

## INVESTMENT POLICY OF THE FUND

The objective of the Fund is to create a highly defensive investment portfolio for its Investors, which typically invests in developed-market government bonds and related exchange-traded derivatives. According to the intentions of the Fund Manager, the bulk of the Fund's portfolio is made up of bonds issued by foreign states and foreign companies through public offerings. With regard to foreign securities, the Fund only purchases publicly traded securities listed on a foreign stock exchange. It keeps the planned share of non-investment grade securities low. The proportion of bonds that can be held in the Fund at any given time may reach the prevailing legal maximum. In order to ensure liquidity, the Fund may purchase Hungarian government securities (primarily discount treasury bills) and MNB bonds. The Fund Manager has the option, at its own discretion, of hedging all or part of its foreign exchange risks using forward currency positions subject to observing the applicable legal requirements.

## MARKET SUMMARY

In October, US capital markets continued to ride the AI wave, while the Fed's expected final interest rate cut this year and the end of quantitative tightening pumped further liquidity into the system. In addition to the dominance of the technology sector, the minor trade truce reached at the Trump-Xi meeting—a reduction in tariffs from 57% to 47% and a one-year easing of rare earth exports—came as a positive surprise, strengthening the dollar and growth prospects. At the same time, the threat of a government shutdown, record data center investments, and Fed Chairman Jerome Powell's caution regarding the December cut dampened the performance of traditional sectors. Bond yields moderated only slightly at longer maturities, while the short end saw a noticeable repricing of the interest rate curve. Europe remained in the grip of political and economic uncertainty: the initial optimism surrounding the formation of the French government proved short-lived, with banking sector stocks falling particularly sharply. Inflation rose slightly in September, but the ECB's decision to keep its key interest rate unchanged raised hopes of easing. Positive signs include a surge in car sales (especially hybrids imported from China) and stable unemployment. On the other hand, weak German industrial production and high energy prices linked to sanctions against Russia continue to put pressure on the continent's economy.

The Fed's rate cut in October only led to a decline in the yields of the shortest-maturity U.S. bonds. Federal Reserve Chair Jerome Powell emphasized that the rate cut investors had taken for granted in December should not be considered certain. As a result of Powell's comments, the yields on longer-maturity bonds corrected upward. Meanwhile, the European Central Bank (ECB) decided to keep interest rates unchanged, even as headline inflation remains above the official 2% target. Over the past month, the Fund reduced its interest rate risk by closing previously opened long-maturity bond futures positions and by selling long-term Spanish government bonds, which had outperformed following Spain's credit rating upgrade.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% Bloomberg Global Treasury Majors ex Japan Total Return Index Unhedged USD
ISIN code:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Net Asset Value of the whole Fund:	24,754,263,704 HUF
Net Asset Value of A series:	3,762,193,571 HUF
Net Asset Value per unit:	2.218619 HUF

## DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, Erste Investment Plc., MBH Bank Nyrt., MBH Befektetési Bank Zrt, MKB Bank Nyrt. 0789, OTP Bank Nyrt., Raiffeisen Bank cPlc., SPB Befektetési Zrt., UniCredit Bank Hungary cPlc., VIG Investment Fund Management Hungary

## SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	81.73 %
Corporate bonds	12.76 %
Mortgage debentures	2.39 %
T-bills	2.04 %
Current account	1.13 %
Liabilities	-0.04 %
Receivables	0.00 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	16.66 %
Net corrected leverage	102.75 %
Assets with over 10% weight	
US Treasury 02/15/37 (USA)	

## RISK PROFILE

1	2	3	4	5	6	7
←			→			
Lower risk			Higher risk			

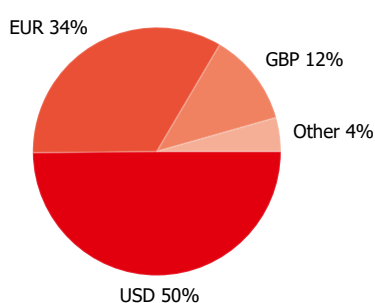
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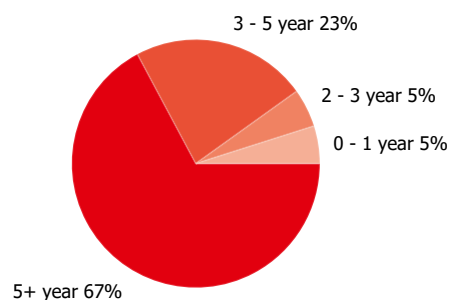
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-7.67 %	-7.52 %
From launch	3.05 %	2.85 %
1 month	1.14 %	0.84 %
3 months	-1.69 %	-1.88 %
2024	9.89 %	10.42 %
2023	-0.95 %	1.59 %
2022	-3.20 %	-2.82 %
2021	2.26 %	2.81 %
2020	8.04 %	9.76 %
2019	5.82 %	9.57 %
2018	3.34 %	5.25 %
2017	-5.90 %	-4.07 %
2016	1.07 %	2.24 %
2015	3.72 %	4.09 %

### Currency exposure:



### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 04/21/1999 - 10/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	8.28 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	8.73 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	9.09 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	11.26 %
WAM (Weighted Average Maturity)	7.72 years
WAL (Weighted Average Life)	9.35 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
T 4 3/4 02/15/37	interest-bearing	USA	02/15/2037	12.05 %
EURO-BOBL FUTURE Dec25 Sell	derivative	Raiffeisen Hun	12/08/2025	7.79 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	6.75 %
US Treasury 08/15/29 1,625%	interest-bearing	USA	08/15/2029	5.84 %
USGB 2042/02 3,125%	interest-bearing	USA	02/15/2042	5.69 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	5.33 %
YKBNK 7 1/4 03/03/30	interest-bearing	Yapi ve Kredi Bankasi	03/03/2030	5.08 %
EURO-BUND FUTURE Dec25 Buy	derivative	Raiffeisen Hun	12/08/2025	5.07 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.52 %
UKT 4,5% 12/07/42	interest-bearing	United Kingdom	12/07/2042	4.35 %

## Legal declaration

The recent document qualifies as Portfolio Report according to the Kbtv. requirements. It contains the following elements based on the last net asset value of the reporting month: presentation of the assets of the fund regarding asset type of portfolio investment and regarding other categories detailed in its investment policy; list of assets (issuers) representing more than 10% of the portfolio; net asset value of the fund, including the cumulated and the calculated value per unit share. Investors are kindly advised, that past performance of the fund does not guarantee future performance. The returns presented are to be considered without applicable taxes, distribution fees and commissions, fees related to account keeping and other costs in relation with holding an investment fund unit. Information presented in the Portfolio Report are for information purposes only, not intended to serve as investment advice, or any other offer. Investors are kindly advised to carefully read the Key Investors Document and Prospectus of the fund, in order to understand the risks of investing into the fund, and to be able to make an informed investor decision. The referred documents are available at the distribution locations and on the official website of VIG Fund Management Zrt. VIG Investment Fund Management Hungary | 1091 Budapest, Üllői út 1. | +36 1 477 4814 | [alapkezele@am.vig](mailto:alapkezele@am.vig) | [www.vigam.hu](http://www.vigam.hu)